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IMPLEMENTATION OF THE INTERNATIONAL COVENANT ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS

Third periodic reports submitted by States parties under articles 16 and 17 of the Covenant

Addendum

ICELAND*

[8 October 2001]

* The second periodic report (E/1990/6/Add.15) submitted by the Government of Iceland was considered by the Committee on Economic, Social and Cultural Rights at its twentieth session (see E/C.12/1999/SR.3-5) in 1999.

The information submitted by Iceland in accordance with the guidelines concerning the initial part of reports of States parties is contained in the core document (HRI/CORE/1/Add.26).

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I. GENERAL OBSERVATIONS

1. In the following a general description will be presented of the most important laws and practice in the field of economic, social and cultural rights. As regards general information on Iceland and its people, Iceland's legal system, the power to resolve whether human rights have been violated, and the applicability of international human rights conventions under national law, a reference shall be made to the general observations submitted in Iceland's initial report on the implementation of the International Covenant on Economic, Social and Cultural Rights (hereinafter referred to as the Covenant or ICESCR) as these aspects remain unchanged if no particular observations are made to the contrary herein.

2. As regards the concluding observations of the Committee on Economic, Social and Cultural Rights of 7 May 1999 made following the consideration of the second periodic report, the answers to the Committee's concerns and suggestions will be discussed specifically in relation to the relevant article of the Covenant. However, as regards the Committee's request for further information on the case-law on the application of the Covenant and the domestic legal status of the Covenant (paragraph 18 of the concluding observations), these issues will be discussed in the following paragraphs.

A. Constitutional protection of economic, social and cultural rights

3. It should be emphasized, as stated in the second periodic report, that extensive amendments were made on the human rights provisions of the Icelandic Constitution in 1995 by constitutional Act No. 97/1995. Reference is made to paragraph 4 of the second periodic report where the new and amended rights, added to the constitution are enumerated. The amendment reflected to a large extent the provisions of the European Convention on Human Rights and the International Covenant on Civil and Political Rights and also international conventions in the field of economic, social and cultural rights such as the European Social Charter and the ICESCR. Accordingly, several changes were made to provisions concerning economic, social and cultural rights in the Constitution and some new rights were added. The main provision in the Constitution concerning these rights is article 76 which reads as follows:

> "The right to support in the case of sickness, disability, old age, unemployment and other comparable situation shall be guaranteed by law to all those in need.
>
> "The right to general education and suitable training shall by law be guaranteed to all.
>
> "Children shall by law be guaranteed the protection and care as is necessary for their well being."

4. Economic and social rights are also protected in other provisions of the Constitution, such as article 75 which protects similar rights as article 23 of the ICESCR. This provision stipulates that everyone shall be free to pursue the employment of his choice. Furthermore, according to this provision, people's right to negotiate their remuneration and other conditions of work and related rights shall be determined by law. The freedom of association is protected in

article 74 of the Constitution. This provision is phrased similarly to article 11 of the European Convention on Human Rights, article 22, paragraph 1, of the International Covenant on Civil and Political Rights and article 23, paragraph 4, of the ICESCR. However, it goes further than those provisions by stating that no one may be compelled to belong to an association. This provision can be traced to a judgement of the European Court of Human Rights in the case Sigurdur Sigurjonsson v. Iceland of 30 June 1993 where compulsory membership in an association was deemed to be in violation of article 11 of the European Convention on Human Rights.

5. Finally, an important provision was added to the Constitution in 1995 which is the principle of equality. Article 65 of the Constitution reads as follows:

> "All shall be equal before the law and enjoy human rights without regard to sex, religion, opinion, national origin, race, colour, financial status, parentage and other status.
>
> "Men and women shall have equal rights in every respect."

6. This provision is phrased in a similar way to article 26 of the International Covenant on Civil and Political Rights. In this respect it should be added that Iceland has signed Protocol No. 12 to the European Convention on Human Rights, which protects the principle of equal rights and prohibits discrimination on grounds of race, colour, descent, national or ethnic origin, and various other grounds. This protocol will protect against all discrimination without regard to the nature of the right concerned, similarly to article 26 of the International Covenant on Civil and Political Rights. Ratification of Protocol No. 12 is now in process.

7. It should be noted that in the explanatory report on the bill amending the constitution, clear reference is made to the use of international conventions in the field of human rights, including the ICESCR, as guiding principles in interpreting the Constitution. For example, concerning article 75 of the Constitution reference is made to article 6 of the ICESCR, and concerning article 76 of the Constitution, reference is made to articles 11, 12 and 13 of the ICESCR. This established a clear connection between the Constitution and human rights instruments such as the ICESCR, which has already had an influence on the Icelandic court practice and application of the Constitution.

B. Application of the Covenant in the Icelandic legal system

8. It can be stated that the new human rights provisions in the Constitution have widened the constitutional protection of various rights guaranteed in international human rights conventions. Despite the fact that these conventions do not have the direct force of law within the Icelandic legal system, they have now been brought under the protection of the Constitution as a result of recent court practice which has interpreted constitutional provisions in the light of international obligations. A clear example of this is the International Covenant on Economic, Social and Cultural Rights, which has been directly referred to in a recent Supreme Court judgement as providing for substantive social rights. References to article 65 of the Constitution concerning the principle of equality have also increased considerably in the context of cases relating to all human rights.

9. In a judgement of the Supreme Court of 19 December 2000 the Court ruled that a new act which reduced social security payments to disabled persons violated the right to minimum social benefits as article 76, paragraph 1, of the Constitution guarantees, interpreted in the light of article 9 of the International Covenant on Economic, Social and Cultural Rights. The judgement also stated that article 76, paragraph 1, should be interpreted in the light of articles 11 and 12 of the ICESCR. Furthermore, reference was made to article 65 of the Constitution on the principle of equality concerning the question whether the level of social security benefits paid to a disabled person should be linked to the income of the person's spouse. Accordingly, this legislation was deemed unconstitutional and therefore it was not applied by the Court. The judgement called for changes in legislation and initiated a great debate in Icelandic society, particularly concerning the role of the courts in the field of social rights.

10. Another judgement should be mentioned in this respect. In a judgement of the Supreme Court of 4 February 1999, the Court ruled that the University of Iceland had not fulfilled its legal obligation under the Act on Disabled Persons, article 2 of Protocol No. 1 to the European Convention on Human Rights concerning the right to education, and article 65 of the Constitution on the principle of equality. The case involved a blind student at the University who did not get the necessary assistance with her studies. No positive measures had been taken to assist her nor to formulate a comprehensive policy to assist disabled persons as the University was legally obliged to do so that disabled persons could enjoy their right to education equally with others. Accordingly, this was deemed to violate the Constitution and the person involved received compensation.

11. Finally, a judgement concerning the rights of deaf persons should be mentioned. In a judgement of 6 May 1999, the Supreme Court ruled that the State Broadcasting Service was obliged to broadcast programmes relating to the election campaign on television in sign language. This was decided with reference to the legal obligation of the State Broadcasting Service to present representatives of the various political parties for election to Parliament in an equal manner to the whole nation. With reference to article 65 of the Constitution and the right to free elections under article 3 of Protocol No. 1 to the European Convention on Human Rights, the rights of deaf people were considered to have been breached and the State Broadcasting Service was obliged to broadcast the campaign in sign language.

12. It should be noted that owing to the amendments to the Constitution and the practice of the courts, such as the examples cited above, a lively debate has begun and public awareness of human rights in Icelandic society has increased greatly. Accordingly, the people in Iceland are better informed of their rights than ever before, and know that these rights are enforceable through the Icelandic legal system and international monitoring bodies.

C. Summary of amendments to legislation

13. Finally in these general observations, a summary shall be presented of some of the most important legislative amendments which have been adopted since the second report was submitted. Further discussions on these amendments can be found in relation to the corresponding provisions of the ICESCR.

(a) The Act on Patient Insurance, No. 111/2000 ensures the right of patients to compensation under certain conditions stemming from damage connected with research or caused by treatment in hospitals, primary health-care centres or other health institutions, by self-employed health workers and in-patient transport;

(b) A new Gender Equality Act, No. 96/2000 took effect on 6 June 2000. The Act had been revised for two main reasons: on the one hand, to take account of the changes that had occurred in the field of gender equality and changes of emphasis in targets and methodology and, on the other, to stimulate development towards equality in important areas in society;

(c) A new Maternity, Paternity and Parental Leave Act, No. 95/2000 was passed in 2000; it is due to take full effect on 1 January 2003. Its main aim is to create conditions in which men and women are able to participate equally in paid employment and other work outside the home, and to guarantee children time with both parents;

(d) A new Act on a Health Sector Database, No. 139/1998 has been enacted. Its purpose is to authorize the creation and operation of a centralized database of non-personally identifiable health data from medical records with the aim of increasing knowledge in order to improve health and health services;

(e) A new Housing Act, No. 44/1998 entered into force on 1 January 1999. The purpose of the Act is to promote the ability of Icelanders to live with security and equal rights in housing matters, through the granting of loans and the organization of housing-related matters along with the special allocation of funds to increase people's chances of acquiring or renting housing on manageable terms;

(f) The Act on the Rights of Patients, No. 74/1997 guarantees various rights of patients such as the right to obtain information regarding their state of health, the proposed treatment and the possibility of seeking a second opinion. An informed consent of the patient is required for treatment or participation in scientific research;

(g) A new Legal Competence Act, No. 71/1997 raised the age at which people become legally competent to manage their personal affairs from 16 years to 18 years. The rationale behind this was that the definition in the Convention on the Rights of the Child of all persons under the age of 18 as children should be followed. In addition, the Icelandic arrangement was deemed different from that in effect in neighbouring countries;

(h) Great changes took place in 1997 regarding labour legislation with the passing of the Labour Market Measures Act, No. 12/1997 and the Unemployment Insurance Act, No. 13/1997. Both Acts came into force on 1 July 1997.

14. Further reference concerning the legislation in the field of social affairs is made to the home page of the Ministry of Social Affairs (http://www.felagsmalaraduneyti.is/interpro/fel/fel.nsf/pages/english-index), where most of the legislation discussed in this report can be found in the complete English translation. The legislation in the field of the Ministry of Health and Social Security is available in English at: http://heilbrigdisraduneyti.is/interpro/htr/htr.nsf/pages/lawsandregs.

II. INFORMATION RELATING TO INDIVIDUAL PROVISIONS OF PARTS I, II AND III OF THE COVENANT

Article 1

15. No specific legal amendments or issues concerning this article have taken place since the second periodic report was submitted.

Article 2

16. Reference is made to paragraph 8-13 of the second periodic report. As regards paragraph 2 of article 2 concerning protection from discrimination in the enjoyment of rights, special reference is made to article 65 of the Icelandic Constitution. This provision states the principle of equality and that all persons shall enjoy human rights equally without regard to sex, religion, opinion, national origin, race, colour, financial status, parentage or other status. The reference to all human rights clearly covers all rights enumerated in international human rights conventions to which Iceland is a party, including the rights in the ICESCR.

Article 3

17. Icelandic law is based on the principle that all persons are equal before the law, irrespective of their sex. The general principle of equality is enshrined in article 65 of the Constitution, as previously discussed, and special reference is made to gender equality in paragraph 2 of the article. A special Gender Equality Act has been in force in Iceland since 1976. The Gender Equality Act is an important instrument for supporting work in the field of gender equality and protecting social equality, but it has also long been recognized that work aimed at achieving equality involves changing attitudes towards traditional sexual roles and images. This therefore calls for continuous social criticism, research and special measures to open the way for new ideas. It is important that as many people as possible be involved in this work, with the political authorities playing one of the most important roles. The Gender Equality Act and the Government of Iceland's plan of action are among the Government's contributions towards this effort.

A new Gender Equality Act

18. A new Gender Equality Act, No. 96/2000, took effect on 6 June 2000. The Act had been revised for two main reasons: on the one hand, to take account of the changes that had occurred in the field of gender equality and changes of emphasis in targets and methodology and, on the other, to stimulate development towards equality in important areas in society. When the older Act was revised, therefore, attention was given to the situation regarding gender equality at the executive level and the elaboration of specific projects to work on. It was also emphasized that gender equality must be taken seriously as the responsibility of both sexes.

19. Various new items are to be found in the Act, including the establishment of a special institution, the Centre for Gender Equality (Jafnréttisstofa), which is administered by the Ministry for Social Affairs and is entrusted with the monitoring of the application of the Act.

In addition, each ministry is required to appoint a special gender equality officer to monitor equality issues under the respective ministry. The Act contains provisions on the integration of family and professional life; this is intended to meet the rising demand by women to be accepted as fully valid members of the workforce, and of men to play a greater role in their families.

20. There are also provisions on sexual harassment, a prohibition against the dismissal of an employee because he or she seeks redress in respect of alleged sexual discrimination, and a provision obliging enterprises with more than 25 employees to set themselves equality programmes or to make special provisions regarding gender equality in their employment policies. Finally, there is a special provision on the analysis of statistical data on the basis of gender.

Four-year plan of action on gender equality

21. The Gender Equality Act contains a provision under which the Minister of Social Affairs is to submit proposals to the Althing on a four-year plan of action on gender equality. In 1998, the Althing passed a parliamentary resolution approving the Government's four-year plan on gender equality, which is currently being implemented. The first section of the plan specifies the Government's two main aims regarding gender equality: cooperation between the sexes and the integration of equality considerations in all policy formulation and decision-making. Both of these are important for the advancement of gender equality. The second section of the plan gives a closer account of the Government's projects. They cover the functions of most, if not all, the ministries, and in fact lay down the broad outlines of the Government's gender equality policy. The projects are as follows:

- Analysis of all statistical data by gender;
- Investigations to establish whether public policy takes gender equality into account;
- Gender equality in public institutions and measures to eradicate gender-based wage discrimination;
- Studies of the position of women regarding economic power.

22. Section three of the Government's plan of action lists the tasks to be addressed by the individual ministries. About 70 tasks of many types are listed, covering all aspects of society. Examples include the division of constituencies and the adoption of election rules to give women a greater chance of being elected in general and in local government elections in particular, a campaign in all government ministries to increase the number of women serving on ministerial committees and councils, the appointment of gender equality committees in all ministries, the organization of courses on human rights issues with an emphasis on women's rights, the adoption of measures against sexual harassment and support for business ventures involving women.

Maternity, paternity and parental leave

23. A new Maternity, Paternity and Parental Leave Act, No. 95/2000 was passed in 2000; it is due to take full effect on 1 January 2003 (see under article 10 for a fuller discussion of the Act). The main aim of the Act is to create conditions in which men and women are able to participate equally in paid employment and other work outside the home, and to guarantee children time with both parents. The Act is also aimed at combating gender-based wage discrimination, which is partly attributed to the fact that women are usually required more often than men to arrange their working time to accommodate the care of children.

Support for business ventures involving women

24. During the past few years the Ministry of Social Affairs has awarded grants to new business ventures that are considered likely to increase employment participation by women. During 2001, the Ministry has authorization to make grants of ISK 20 million to support women's employment. The main aim of these grants is to increase variety in the business sector, maintain the viability of centres of population in the rural areas and broaden the range of employment opportunities there, give women easier access to start-up capital and reduce unemployment among women.

Women's Loan Guarantee Fund

25. The Women's Loan Guarantee Fund is a joint venture involving the Ministry of Social Affairs, the Ministry of Industry and the City of Reykjavik. The main objective of the Fund is to support women in launching new business ventures by putting up security for up to half of the loans they take from the National Bank of Iceland in order to finance specific projects. Sureties are granted on the basis of an evaluation of the profitability of the business venture.

Articles 4 and 5

26. No specific legislative changes or developments have taken place since the second report was submitted in relation to the principles stated in these articles of the Covenant in relation to the interpretation of laws and international instruments.

Article 6

27. Considerable changes have taken place in the legal framework and all aspects of administration in the field of employment since the last account of these matters was presented in the second report.

Labour Market Measures Act, No. 13/1997

28. Great changes took place in 1997 regarding labour legislation with the passing of the Labour Market Measures Act, No. 12/1997 and the Unemployment Insurance Act, No. 13/1997. Both Acts came into force on 1 July 1997. The main change made to earlier legislation is that a

special institution, the Directorate of Labour, is in charge of employment exchanges in Iceland. The Directorate is responsible to the Minister of Social Affairs, who appoints its board for four-year terms, including representatives of the social partners, the local authorities and the Unemployment Insurance Fund. The board is responsible for monitoring the situation of the labour market and the results of labour market measures. The Minister then reports to the Althing each year on trends in the labour market, these reports being based on reports prepared by the board of the Directorate.

29. Under the new legislation, Iceland is now a single employment area, with eight regional employment offices operating in specific regions. A special regional council is appointed by the Minister of Social Affairs for each region, including representatives of the organizations in the labour market, the local authorities and the secondary schools in the regions. The regional councils are to monitor developments in the employment sector and make proposals to the board of the Directorate of Labour on labour market measures. The regional council is also to assist the regional employment exchange to implement measures to assist the unemployed. The board of the Directorate and the regional councils are to ensure that solutions are offered for the unemployed in order to meet the demands made by the labour market regarding working qualifications and skills.

30. Under the Labour Market Measures Act, the regional employment exchanges are required to draw up a job-search plan in consultation with each individual seeking employment within 10 weeks of his registering as unemployed. The aim of this plan is to assist those seeking employment to find suitable work. Plans are to be designed in such a way as to increase the likelihood of the applicant's finding employment. Special employment consultants working with the regional employment exchanges are to be in charge of drawing up the job-search plans.

31. The regional employment offices are able to offer the following to increase the job skills and scope of the unemployed:

(a) Job introductions, involving short periods spent at places of work without actual involvement in the activities;

(b) Job training, i.e. organized participation by the job-seeker in the activity at a place of work for a certain period, without any commitment on the part of the employer regarding his engagement. While job training is in progress, the regional employment office's consultant is to evaluate the applicant's working ability in consultation with the foreman at the place of work. Those who have been unemployed for six months or longer shall have priority access to job training, and it is to be made available first to those who have been unemployed for one year or more. Exemptions from this condition shall be applied to the elderly, the disabled, ex-prisoners and reformed drug abusers. The maximum period of job training during which the job-seeker receives unemployment benefit shall be six months.

(c) Trial engagement, under which employers hire job-seekers on a trial basis with a view to hiring them on a permanent basis if they prove suitable. This may be applied in the case of persons who have been unemployed for long periods (six months or longer). The maximum

period of a trial engagement shall be three months, during which the job-seeker receives full unemployment benefit. In job-training and trial engagement programmes, the employer is to pay the job-seeker the difference between unemployment benefit payments and the wages to which he is entitled according to valid wage agreements.

32. In addition to the above measures, a special service is provided for teenagers, the disabled and the elderly, who are able to apply to their regional employment office and request assistance with seeking employment.

33. Under Regulation No. 670/1998 on Labour Market Measures, the Directorate of Labour is in charge of labour market measures taken by those who act as intermediaries for hiring or registering the unemployed. Such parties are obliged to comply with requests by the Directorate of Labour for information about the activities, including the numbers of persons seeking employment, vacant positions and number of persons hired.

Regulations on the allocation of grants from the Unemployment Benefit Fund for special projects administered by the regional employment offices, No. 238/1999

34. The board of the Unemployment Benefit Fund is able to support special projects carried out by the local authorities in order to stimulate employment in accordance with the rules set. The maximum amount involved shall be equivalent to the unemployment benefit and pension fund payments which would otherwise have been paid to the individuals whose names are taken off the unemployment register as a result of their participation in the projects. Examples of these allocations include: grants to unemployed people to enable them to set up their own businesses, grants to assist firms to create new jobs in connection with new production, and allocations to make it possible for people registered as unemployed to enter vocational training.

The Ministry of Social Affairs Vocational Training Council, functioning under the Vocational Training (Business Sector) Act, No. 19/1992

35. The main role of the Vocational Training Council is to attend to policy formulation in the field of vocational training in the business sector, and the Vocational Training Fund, which it administers, is an important factor in this work. From the time that it was founded and up to the year 2000, it had granted ISK 438 million to about 610 vocational training projects aimed at raising staff skills and strengthening the standing of businesses and occupational sectors in Iceland.

36. The first funding for vocational training in the business sector was granted in the budget for 1988; that year, the Ministry of Social Affairs had ISK 9 million at its disposal for this purpose. By 1991 the allocation had been increased to ISK 15 million. In 1992, when the Althing passed the Vocational Training (Business Sector) Act, ISK 48 million was allocated to the Vocational Training Fund and the annual allocation remained at this level until 1998, when it was raised to ISK 50 million. This last figure applied to both 1999 and 2000.

Table 1

Allocations for vocational training 1995-2000

Year	No. of applicants	No. of projects	Total applied for (ISK)	No. of recipients	Total granted (ISK)	No. of projects
1995	32	90	96 060 482	21	43 501 000	46
1996	49	130	141 033 822	29	47 495 614	67
1997	55	138	162 178 261	31	45 652 821	69
1998	59	170	201 759 158	40	63 000 387	106
1999	77	245	276 757 462	53	55 750 000	101
2000*	69	160	234 288 500	37	39 288 500	60

* Figures for 2000 include research and development projects.

Fjölsmiðjan, a social, educational and employment support venture

37. Fjölsmiðjan is a private institution that runs a vocational training and production centre. It is a social, educational and employment support venture for young people in the age range 16-24, aimed at developing the personality of each individual and preparing him or her for further schooling or participation in the private employment market. The origins of Fjölsmiðjan lie in a survey by the Icelandic Red Cross of the persons who were worst off in Icelandic society. The survey's findings indicated that they were young people with little education in the 16-24 age group. The Red Cross sought effective means of improving the position of these people, and its investigations led it to the Danish Production Schools, which had proved to give the best results for this age group in Europe.

38. In 1998, the Ministry of Social Affairs established a working group to investigate the need for the establishment of a similar system, with the Danish Production School as a model, though with adaptations to meet conditions in Iceland. The group came to the conclusion that such a measure was needed, and the Minister of Social Affairs therefore commissioned the group with the task of producing ideas for the establishment of such a school.

39. Fjölsmiðjan, which is the product of this work, was established in March 2001 by the Ministry of Social Affairs, the Directorate of Labour, the Icelandic Red Cross, the City of Reykjavík and other local authorities, and the Ministry of Education. It is planned that operations will begin in October 2001, and will be initially based on 40-60 participants in six departments. Participants will receive wages while they work in Fjölsmiðjan, or else will retain the benefits that they already receive, i.e. social assistance or unemployment benefit. Young people aged 16-18 who do not receive benefits of this type will have equivalent wages guaranteed by the Icelandic Red Cross, so that all participants will receive the same wages, based on the amount of unemployment benefit at any given time. The idea is that by working in Fjölsmiðjan, each individual should be able to discover where their skills or interests lie; thus, this work should function as a sort of preparation for further study.

Amendments to the Foreign Nationals' Right of Employment Act, No. 133/1994

40. Amendments were made in 2000 to the Foreign Nationals' Right of Employment Act, No. 133/1994. The main amendments made involved a clarification of the legal position of nightclub performers in connection with employment contracts, and the spouses of Icelandic citizens are now unequivocally exempt from the conditions of the Act regarding employment permits. The rights of the spouses of Icelandic citizens who are citizens of countries outside the European Economic Area (EEA) were brought into line with those of EEA member State nationals.

41. It is planned to submit to the Althing a draft bill on foreign nationals' employment rights in October 2001. This will constitute a thorough revision of the current legislation.

Comments in reply to paragraph 6 of the concluding observations of the Committee

42. Regarding the Committee's concluding observations, paragraph 6, it should be stated that nationals of non-EEA countries and their spouses do not enjoy the same rights as do the nationals of the member States of the EEA regarding the right of employment in Iceland. As stated above, the right of foreign nationals to employment is covered by Act No. 133/1994. The general principle on which the Act is based is that the employer is to obtain an employment permit for the foreign national before the latter comes to Iceland. Such employment permits are granted on a temporary basis for one year, and may be renewed thereafter for two years. After three years, the foreign national is able to apply in his/her own name for an unlimited permit. Employing a foreign national without an employment permit is illegal, and it is also illegal for a foreign national to enter into employment without being in possession of the required permit.

43. Under Act No. 41/2000, the legal position of Icelandic nationals' spouses who are nationals of non-EEA States was brought into line with the legal position that the nationals of EEA member States had acquired under the EEA Agreement, i.e. they were expressly exempted from the requirement regarding employment permits. The spouses of EEA nationals who are not themselves EEA nationals, on the other hand, are subject to the same rules as other non-EEA nationals regarding permanent employment permits.

Collective Redundancies Act, No. 63/2000

44. A new Collective Redundancies Act, No. 63/2000 entered into force in 2000, replacing Act No. 95/1992. The new Act is based on EU Directive No. 75/129/EEC on the harmonization of the laws of the member States of the European Union regarding collective redundancies. The Act covers collective redundancies of employees effected by employers for reasons not connected with any of the employees themselves. The Act also contains a definition of collective redundancies in terms of the minimum number of employees to be laid off.

45. The Act places obligations on the employer regarding the duty to inform the employees' shop steward or other representative and to confer with him if a collective redundancy is contemplated. Furthermore, the employer must give the employees' representative all relevant information concerning the redundancies. Finally, the employer is obliged to notify the local employment exchange in the relevant local government area of the proposed redundancies.

Article 7

Minimum remuneration

46. No amendments have been made to legislation regarding minimum remuneration since the second report was compiled. All workers in Iceland are covered by the terms of some collective agreement, if not directly as a member of the trade union in question, then through the provisions of Act No. 55/1980 on Terms and Wages, etc. According to article 1 of the Act it is unlawful to hire a worker for less remuneration or on worse conditions than he would have been entitled to as a member of the respective trade union. The article reads as follows:

> "Wages and terms which the main organizations of the social partners agree on by collective agreements shall be minimum wages and terms irrespective of sex, race, nationality or length of service, for all wages earners working in respective branch in the region in question which is covered by the agreement. Agreements made by individual workers and employers on less remuneration or worse conditions are null and void."

Inequality in remuneration for work of equal value

Gender-related wage discrimination

47. As was stated in Iceland's second report, a survey was carried out in 1995 covering the composition of wages and gender-related wage differentials in eight private companies and public institutions. No comparable survey has been made since then. The City of Reykjavík, the municipality of Akureyri and the town of Mosfellsbær have had comparable studies made concerning their employees; all of which confirm the existence of wage differentials of 10 per cent-16 per cent between the sexes, these figures referring only to differentials that cannot be explained impartially.

48. According to data from the National Economics Institute, women's net income from employment in 1999 was 54.2 per cent of that of men. Women's gross income, on the other hand, was 58.7 per cent of that of men. This is an average figure, calculated on the basis of tax returns.

Table 2

Average income per filing

ISK '000

	1998	1999
Net income from employment	1 656	1 805
Total (all persons filing tax returns)		
Married males	2 840	3 068
Married females	1 251	1 391
Couples, married or cohabiting	3 780	4 121
Single persons	1 223	1 335
Males, total	2 176	2 353
Females, total	1 151	1 275
	52.91	54.20
Women's gross income as a percentage of men's		
Gross income		
Total (all persons filing tax returns)	1 683	1 876
Married males	2 655	2 931
Married females	1 298	1 489
Couples, married or cohabiting	3 958	4 432
Single persons	1 305	1 455
Males, total	2 147	2 373
Females, total	1 230	1 394
	57.29	58.74
Women's gross income as a percentage of men's		

Source: Statistics Iceland.

49. However, it must be borne in mind here that these figures refer to the difference in gross income. The reason for the great difference in men's and women's gross wages can be partly explained by the fact that a large number of women work part time, while most men work full time, in addition to which most men generally work longer paid working hours than women.

50. To form a better picture of the actual wage differential between women and men, attention should be given to the differences between women's and men's remuneration for daytime work in full-time positions. There are, on the one hand, gender-related wage differentials between the sexes in the various employment categories in the private sector, and, on the other, differentials between men and women civil servants.

Table 3

Compensation for daytime work by occupations, first quarter of 2001*

Monthly remuneration, ISK	Total	Males	Females	Women's remuneration as a proportion of men's
Basic occupations	119 600	126 200	109 600	86.8 %
Plant and machine operators	134 400	140 000	119 800	85.6 %
Specialized workers	126 600	132 900	120 400	90.6 %
Craft and trades workers	206 700	207 400	...	...
Service and sales workers	146 600	182 700	119 400	65.4 %
Clerks	140 200	154 500	137 100	88.7 %
Technicians and associate professionals	226 200	266 000	189 300	71.2 %
Professionals	326 700	349 800	291 600	83.4 %

Source: Institute of Labour Market Research (Press Release 12 June 2001).

* Payment for daytime working hours in full-time employment according to labour contracts, plus supplementary payments such as various performance and cost-related payments. The data relate to all wage earners and salaried employees.

Occupations are classified according to ISTARF 95, an Icelandic version of ISCO-88.

51. This table for the first quarter of 2001 reveals that women in the private sector receive lower wages for daytime work than men in all the seven employment categories that employ workers of both sexes. Women's proportion is the lowest among service and sales occupations, where women receive 65.4 per cent of men's wages, and highest (90.6 per cent) among specialized workers.

52. Regarding wage payments to civil servants, the above data reveal that in 1999, women in BSRB (the Federation of State and Municipal Employees) received just over 88.2 per cent of men's average wage rates (salaries) and 69.8 per cent of men's total remuneration. In BHM (the Federation of Graduate Employees), women received 94.9 per cent of men's average wage rates and 90.7 per cent of men's total remuneration. Women also receive proportionally lower rates of overtime pay than men in both BSRB and BHM. The same can be said of "other wages" among workers in BSRB, while women had higher "other wages" than men in BHM.

53. Further statistical information on gender-based wage differentials can be found in the Government of Iceland's report to the International Labour Organization on the application of ILO Convention No. 100 (Equal Remuneration) for the period 1 June 1998 to 31 May 2000.

Table 4

Remuneration of women public employees as a proportion of men's, 1996-1999

	Salaries %	Overtime pay %	Other pay %	Total pay %
BSRB[a] of civil servants				
1996	91.2	46.1	49.5	71.9
1997	91.2	44.7	46.6	70.4
1998	91.6	44.6	48.1	72.2
1999	88.2	42.3	45.6	69.8
BHM[b]				
1996	94.3	62.3	134.8	84.4
1997	94.7	60.3	169.2	84.0
1998	92.9	67.2	169.9	87.1
1999	94.9	70.4	176.4	90.7

Source: Table 14.3 in The Statistical Yearbook 2000. Public Sector Labour Market Institute.

[a] BSRB - Federation of State and Municipal Employees; State employees only.

[b] BHM - Federation of Graduate Employees.

Working group on job evaluation

54. The Minister of Social Affairs appointed a working group on job evaluation on 8 March 1995. After it submitted its report in February 1996, it was decided that the group would be in charge of an experimental project on job evaluation, the aim of which was to investigate whether job evaluation could be used as a tool in reducing gender-related wage differentials. The experimental project involved two institutions/enterprises owned by the City of Reykjavik, the Reykjavik District Heating Services and the Department of Social Affairs, and one State institution, the State Hospitals. The project ended with the publication of a report by the head of the group in May 1999, setting out guidelines on job evaluation. It should be mentioned, however, that not all the members of the group supported the conclusions presented in the report.

55. The report summarizes the conclusions that can be drawn from the experimental project. As the scale of the experiment was restricted, no comprehensive conclusions can be drawn from it regarding the practical value and application of non-gender-related job evaluation in the Icelandic labour market, e.g. in the private sector. On the other hand, the conclusions provide important data on the ideology underlying non-gender-related job evaluation and the procedures involved in such evaluation. As regards the evaluation itself, attempts are made to define the premises for evaluating jobs, to present them systematically and to coordinate methods. One of the greatest advantages of job evaluation is that it makes it possible to compare dissimilar jobs. Thus, it is a method of tackling the subjectivity that lies behind the assessment of the content and

value of work, and can thus be an important instrument for applying the provision of the Gender Equality Act stating that women and men should enjoy the same terms for work that is comparable and of equal value. The working group also emphasized that when carrying out job evaluation on the basis of the guidelines, sexual discrimination must be avoided in both the job evaluation systems and the conduct of the evaluation. Finally, it emphasized that job evaluation systems adopted in Iceland must conform to international commitments regarding gender equality in both their design and use.

Seminar and conference on gender-related wage discrimination in autumn 2001 and spring 2002

56. Despite measures on the part of the Government and the social partners, gender-related wage discrimination still exists in Iceland. The Minister of Social Affairs has decided to organize a seminar and conference on gender-related wage discrimination in autumn 2001 and spring 2002, at which attempts will be made to open up areas of discussion and uncover new aspects of discrimination in this area which may prove to be of use in the campaign against it. Representatives of non-governmental organizations, academics, artists and the social partners will be invited to make contributions.

Maternity, Paternity and Parental Leave Act, No. 95/2000

57. One of the main aims of the Maternity, Paternity and Parental Leave Act, which is described in further detail under article 10, was to reduce gender-related wage discrimination, which is believed to result, in part, from the taking of maternity leave.

Four-year plan of action on measures to achieve gender equality

58. As stated above, one of the four main tasks in the plan of action to achieve gender equality is to take measures to eradicate gender-related wage discrimination in State institutions.

Health and safety at work

59. The Occupational Safety and Health Administration, a State body under the Ministry of Social Affairs, is responsible for the inspection of occupational safety conditions under the Health and Safety at Work Act, No. 46/1980. Considerable changes have been made to the regulations on occupational health and safety in recent years, as can be seen from the list of regulations that have been issued. In accordance with the obligations laid down in article 67 of the EEA Agreement, the Ministry of Social Affairs has issued the following regulations under the aforementioned Health and Safety at Work Act, No. 46/1980:

1. Regulation 931/2000 on measures to increase health and safety in the workplace for women who are pregnant, have recently had children or are breast-feeding children.

2. Regulation 571/2000 on pressure equipment.

3. Regulation 570/2000 on personnel lifts and lifts for personnel and goods.

4. Regulation 238/2001 amending Regulation 570/2000 on personnel lifts and lifts for personnel and goods.

5. Regulation 609/1999 on cranes and lifting equipment.

6. Regulation 236/2001 amending Regulation 609/1999 on cranes and lifting equipment.

7. Regulation 602/1999 on safety instructions in connection with the use of chemicals in workplaces.

8. Regulation 154/1999 on pollution levels and measures to reduce pollution in workplaces.

9. Regulation 140/1998 on filling stations for gas cylinders.

10. Regulation 118/1998 on the limitation of noise emissions from hydraulic and cable-operated excavators, bulldozers, wheel- and belt-propelled shovels and tractor-mounted excavators.

11. Regulation No. 433/1997 on measures to improve the safety and health of workers in temporary working relationships.

12. Regulation No. 164/1997 on car-lifts and related equipment.

13. Regulation No. 431/1997 on the use of work tools.

14. Regulation No. 554/1996 on protection against the dangers of biological agents in the workplace.

15. Regulation No. 228/1998 amending Regulation No. 554/1996 on protection against the dangers of biological agents in the workplace.

16. Regulation No. 529/1998 amending Regulation No. 554/1996 on protection against the dangers of biological agents in the workplace.

17. Regulation No. 553/1996 on security measures in mining with drilling.

18. Regulation No. 552/1996 on security measures in mining.

19. Regulation No. 547/1996 on the working environment, health and safety at construction sites and in other temporary construction work.

20. Regulation No. 504/1999 amending section C of annex IV to Regulation No. 547/1996 on the working environment, health and safety at construction sites and in other temporary construction work.

Working hours

Notice No. 285/1999 on the entry into force of EU Directive No. 93/104/EC of 23 November 1993 on aspects of working hours

60. Iceland ratified Directive No. 93/104/EC of 23 November 1993 on 27 April 1997. Parts of the main rules of the directive have been incorporated in collective agreements (see Notice No. 285/1997).

Article 8

61. No fundamental changes have taken place in the legislation and regulations concerning trade unions since Iceland's second report was prepared; for practically all details concerning trade unions, reference is made to that report. In spring 2001 the Althing enacted an amendment to the Trade Unions and Industrial Disputes Act concerning fines imposed by the Labour Court. The amendment was made partly to take account of paragraph 1 of article 2 of Protocol No. 7 to the European Convention on Human Rights, which has the force of law in Iceland under article 1 of the European Convention on Human Rights Act, No. 62/1994. Following the enactment of this amendment, appeals may be lodged with the High Court against fines imposed by the Labour Court.

Article 9

62. In the second periodic report of Iceland the basic features of the Icelandic social security system were clarified. In the following paragraphs the developments in this area in the last years will be discussed and the main legal amendments enumerated. The right to social security, including social insurance, is guaranteed under various laws mainly under the auspices of the Ministry of Health Affairs and the Ministry of Social Affairs.

Primary legislation relating to social security

63. The Social Security Act, No. 117/1993 with later amendments is the primary legislation concerning health insurance and the national social pension scheme. Family benefits are governed by the Income and Property Tax Act, No. 75/1981 with later amendments, the Social Assistance Act, No. 118/1993 with later amendments, the Housing Allowances Act, No. 138/1997 and the Local Authorities' Social Services Act, No. 40/1991 with later amendments. Parental benefits are governed by the Act on Maternity/Paternity Leave and Parental Leave No. 95/2000 and unemployment benefits by the Unemployment Insurance Act, No. 12/1997 (for fuller information on the social security system in Iceland see "MISSOC: Social Protection in the EU Member States and the European Economic Area, Situation on 1 January 2000", European Communities, 2000).

Health care and health insurance

64. The basic principle is tax-financed health service for all inhabitants, based on residency. The relevant legislation is the Public Health Services Act, No. 97/1990 with later amendments and the Social Security Act, No. 117/1993 with later amendments. Persons who have been

legally resident in Iceland for six months are covered by health care and health insurance. The six-month qualification period does not apply to residents of another EEA member State legally residing in the country.

65. Under the health insurance system, necessary treatment in hospitals is free of charge. Health care during pregnancy and for infants is also free of charge. The patient pays a fixed amount for each visit to a primary health-care centre or a general practitioner of between ISK 700 and ISK 1,100. Children and the elderly pay less: ISK 300. The patient also pays a fixed amount for each visit to a private practitioner, ISK 1,400, along with 40 per cent of the costs of procedures undertaken by the latter, but never more than ISK 5,000 per visit.

66. Discount certificates are given to patients who have paid ISK 12,000 during the year (from 1 January). The certificate gives the right to a discount for the rest of the year (until 31 December). The amount is less for children, the elderly and the disabled: ISK 6,000 for children under the age of 16 in the same family and ISK 3,000 for the elderly and the disabled. Medicinal products are reimbursed by four categories, ranging from 0-100 per cent, depending on the severity of the illness and the need for the medication. Partial reimbursement is granted for certain procedures of dental treatment to old-age and invalidity pensioners and children up to 18 years of age. No refund is granted for persons between 19 and 66 years of age except to holders of invalidity pensions and for congenital defects, accidents or illness.

67. Sickness cash benefits. The basic principle for sickness cash benefits is a tax-financed system with flat-rate benefits for all actively employed persons who do not receive salaries during sickness. The relevant legislation is the Social Security Act, No. 117/1993 with later amendments. Employees and self-employed persons, home-workers and students who have been legally resident in Iceland for six months are entitled to benefits. Per diem sickness cash benefits for persons who have to give up full-time gainful employment is ISK 734. The daily amount for persons who have to give up less than full-time but at least half-time employment is ISK 367.

68. Rehabilitation allowance. Such allowance may be paid for up to 12 months after the sickness cash benefit has ceased, or until the degree of disability can be assessed.

Occupational injury insurance

69. Pursuant to the Act on Social Security, No. 117/1993 occupational injury insurance covers all employees. Self-employed persons are also insured unless they voluntarily choose to be exempted. Benefits are paid when an insured person is injured at work or while travelling to or from work. The insurance also covers occupational disease. Occupational injury insurance benefits are higher than general health and pension insurance benefits.

70. The benefits are the following: (i) Benefits in kind; (ii) per diem injury cash benefits of ISK 900 and, in addition, ISK 193 for each dependent child under 18; (iii) a lump sum if the level of invalidity is fixed conclusively at below 50 per cent; (iv) an invalidity pension for permanent incapacity. Full basic pension is paid for 75 per cent incapacity or more. Half-pension rate is paid for 50 per cent incapacity or more, increasing by 2 per cent for each additional degree of disability up to a level of 75 per cent.

The national pension scheme

71. There are three pension schemes in Iceland: a national pension scheme which is a pay-as-you-go scheme, an occupational pension scheme which is a fully funded scheme, and a voluntary pension scheme. The national pension scheme covers old-age pension, invalidity pension and survivors pension in the form of child pension. The relevant legislation is the Act on Social Security, No. 117/1993 with later amendments. Persons 67 years of age who have been resident in Iceland for at least three years between the ages of 16 and 67 are entitled to an old-age pension. A full annual pension is paid to those who have been resident in Iceland for at least 40 years between the ages of 16 to 66 inclusive. Shorter periods reduce the pension proportionally. Persons resident in Iceland are entitled to an invalidity pension if they are between the ages of 16 and 67 and have been resident in Iceland for at least the three years immediately prior to application and have had their permanent disability assessed at 75 per cent as a result of a medically recognized disease or invalidity. Child pension is paid for all children under 18 years of age if either parent is deceased or receives invalidity pension.

72. Pension supplement guarantees supplementation of the old-age and invalidity pension to pensioners with little or no income other than the basic pension. Furthermore, an exceptional pension supplement is paid to single pensioners with little or no income other than the social security pension. Also, there is a possibility of a means-tested household supplement, which can be paid to a single person who receives a full pension supplement and lives alone without the financial support of others.

73. In its judgement of 19 December 2000, the Supreme Court in Iceland interpreted articles 76 and 65 of the Icelandic Constitution with reference to article 9 of the International Covenant on Economic, Social and Cultural Rights and article 26 of the International Covenant on Civil and Political Rights. As discussed in paragraphs 3-5 of this report, article 76 of the Constitution stipulates the right to assistance due to inter alia, sickness, invalidity, unemployment and old age and article 65 on equal rights is comparable to article 26 of the International Covenant on Civil and Political Rights. The case concerned the reduction of a pension supplement due to a spouse's income, pursuant to the Social Security Act, No. 117/1993. The Supreme Court concluded that the reduction, as stipulated in the Social Security Act, was too substantial and did not ensure the minimum rights contained in articles 76 and 65 of the Constitution, read in conjunction with the aforementioned articles of the International Covenants. For fuller information on this specific judgement, reference is made to section I.B of this report.

Supplementary pension scheme

74. The supplementary pension scheme is a fully funded scheme governed by the Pension Act, No. 129/1997 and is administered by individual pension funds. Employed and self-employed persons have a legal obligation to pay contributions to their respective occupational pension funds. Contribution to the funds must be no less than 10 per cent of gross salary, 6 per cent being paid by the employer and 4 per cent by the employee. The pension funds pay old-age pensions (pension age is usually between 65 and 70 years), invalidity pensions and pension payments to surviving spouses and/or children.

Family benefits

75. Child benefits, pursuant to the Income and Property Tax Act, No. 75/1981 are: (i) child benefit payments for all children under the age of 7. The annual amount is ISK 33,470 and is dependent on the level of taxable income of the parents; (ii) child benefit payments for children under the age of 16 which are reduced according to certain rules when the taxable incomes of married or cohabiting parents exceeds ISK 1,290,216 and when the taxable income of single parents exceeds ISK 645,109. The amount paid to married or cohabiting parents for the first child is ISK 113,622 and for the second child and additional children ISK 135,247; the supplement for children aged 3-7 years is ISK 31,703. For single parents the amount for the first child is ISK 189,244 and for the second child and additional children ISK 194,125.

76. Single parent allowance pursuant to the Social Assistance Act, No. 118/1993 may be paid to single parents caring for children under 18 years of age. Payments are discontinued one year after the parent marries or registers in the National Register as cohabiting.

77. Home-care allowance pursuant to the Social Assistance Act, No. 118/1993, may be paid in the form of allowance or monthly childcare benefit to parents or others taking care of disabled or chronically ill children at home or in hospital.

78. Child pension with respect to education pursuant to the Social Assistance Act, No. 118/1993 may be paid to a young person aged 18 to 20 who is a student or in vocational training, if either or both parents are pensioners or deceased.

79. Death allowance pursuant to the Social Assistance Act, No. 118/1993 is payable to persons who lose their spouses before reaching the age of 67 in the form of a monthly grant for six months (18 months if they are raising one or more children under the age of 18) following the spouse's death.

Unemployment insurance

80. The economic situation in Iceland has been very stable over the past few years, with unemployment at a minimum. In 1997, 4.3 per cent of the estimated workforce was unemployed, in 1998 the figure was 2.8 per cent, in 1999 it was 1.9 per cent and in 2000 1.3 per cent. Substantial changes have been made in the structure of unemployment insurance in Iceland over this period. New Acts on Unemployment Insurance, No. 12/1997, the Self-Employed Individuals' Insurance Fund, No. 46/1997 and Labour Market Measures, No. 13/1997 took effect on 1 July 1997. The aim of these acts was, as the Minister of Social Affairs said in the Althing, to improve the situation regarding the employment market and unemployment insurance in Iceland. Act, No. 47/1998 introduced amendments to Act No. 12/1997 to improve the position of the unemployed, as was stated in the explanatory notes to the bill.

Unemployment Insurance Act, No. 12/1997

81. The main innovation introduced by the Unemployment Insurance Act, No. 12/1997, as compared with earlier legislation, is that in order to qualify for unemployment benefit,

an individual must have worked for a period of at least 10 weeks during the previous 12 months (based on a full working day) in a job covered by insurance, or for a correspondingly longer period in the case of part-time work. Under the same act, the maximum period during which benefit may be drawn is five years. Finally, the new act established a special Unemployment Benefit Tribunal, which is able to review decisions taken by the board of the Fund.

82. A person who qualifies for benefit and who embarks on a course of study or is compelled to stop work because of domestic circumstances retains his earned right to benefit for up to 24 months. The same applies to a person who ceases participation in the labour market in order to take maternity/paternity leave, and persons who are deprived of their liberty by judgement of a court.

83. Under article 7 of the Act, the maximum rate of unemployment benefit as of 1 January 2001 was ISK 3,137 per day. The minimum rate of benefit was one quarter of this amount. This means that the maximum rate of unemployment benefit as of 1 January 2001 was ISK 67,979 per month. The maximum sum is revised when the State budget is dealt with each year, taking into account trends in wages, prices and the economy (cf. art. 7). The same article also states that in addition to benefit under paragraph 1, those who have a legal obligation to support dependant children under the age of 18 shall be paid 4 per cent of the daily rate of support in respect of each child. Unemployment benefit paid to a person who receives an old-age pension or disability pension, or a disabled person's grant from the State Social Security Institute, is reduced by the amount exceeding the tax-free income limit for income insurance as determined at any given time. The same applies to old-age pension and disability pension paid by pension funds, and earnings from part-time employment. Regarding benefit payment amounts, reference is made to the Statistical Yearbook of Iceland 2000, which is appended to this report.*

Regulation on the payment of unemployment benefit to foreign nationals with temporary employment permits

84. Under Regulation No. 43/2001, unemployment benefit may be paid to foreign nationals who hold temporary employment permits and lose their jobs due to industrial action by other occupational groups, providing that the employer has paid unemployment insurance premiums for them. Decisions on the right to receive benefit are subject in other respects to the Unemployment Insurance Act, No. 12/1997. The conditions for qualifying for benefit are that the applicant attends a course run by the local employment exchange which may be of value as vocational training, and will return to work for the employer as soon as work is resumed.

Insurance fund for self-employed individuals

85. Self-employed individuals first acquired the right to unemployment benefit under Regulation No. 389/1993, which took effect on 1 October 1993. This entitled them for the first time to ordinary benefit based on their work as self-employed individuals.

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* Available for consultation in the files of the secretariat.

86. Act No. 46/1997 introduced the amendment establishing the Self-Employed Individual's Insurance Fund; this began operations on 1 July 1997. The Fund operates three divisions: one for farmers, one for goods-vehicle drivers and one for small-boat owners. Provision is made under the Act for adding further occupations, but this has not been done.

87. The Minister of Social Affairs appoints the board of the Fund in accordance with nominations by the fund-members' organizations, the Ministry of Finance and the Ministry of Social Affairs. The board of the Fund then appoints a five-person allocation committee, which determines benefit amounts and disqualification for benefit. In other respects, Act No. 46/1997 is based on the Unemployment Benefit Act, No. 12/1997 and benefit payments are made through the disbursement system of the Unemployment Benefit Fund at any given time, in addition to which the Unemployment Benefit Fund handles the day-to-day management of the Self-Employed Fund's finances. Complaints are treated under the same rules as cases involving ordinary unemployment benefit, and rulings by the allocation committee may be referred to the Unemployment Benefit Tribunal.

88. The preconditions for the award of benefit are that the applicant has ceased operations and also that he has not begun work as a paid employee, and that he is demonstrably seeking work and is able to accept offers of employment. It is also assumed that applicants must be prepared to enter full-time employment, though exceptions are made, e.g. if the applicant is not able to enter full-time employment or if he was working part-time before becoming unemployed.

Financial assistance

89. Financial assistance was described in detail in Iceland's second report, to which reference is made on most important points. The most recent development in this field will now be described.

Amendments to the Local Authorities' Social Services Act, No. 34/1997

90. Act No. 34/1997 introduced amendments to the Local Authorities' Social Services Act. One of the changes was that the local authorities were to pay financial assistance retroactively.

Rental benefit

91. Rental benefit is covered by Act No. 138/1997, which came into force on 1 January 1998. Under it, persons who rent private accommodation are entitled to receive rental benefit from the relevant local authority. This is explained in further detail in the discussion under article 11.

92. Rental benefit is counted as income and is related to net worth; thus, it constitutes an important type of social support for various low-income groups such as the lowest income groups, the disabled and students.

93. Act No. 52/2001, amending Act No. 138/1997, broadened access to rental benefit. The main change was that it guaranteed the right to rental benefit to those who live in communal accommodation, e.g. students living in hostels and disabled persons living in communal homes.

Specific comments related to paragraphs 16, 21 and 22 of the concluding observations on the Committee concerning poverty in Iceland

94. According to a survey of poverty in Iceland made by the Social Science Institute of the University of Iceland in cooperation with the Nordic Council of Ministers in 1998, about 6.8 per cent of Icelanders aged 20 and older had a standard of living that was defined as being under the poverty line. This represented a decline from 1988, when a comparable survey revealed a figure of 7.8 per cent.

95. In the survey, poverty was defined as having less than 50 per cent of the median equivalent earnings for a family. Family earnings are then divided between the family members according to information on family composition based on a formula developed by the Organisation for Economic Cooperation and Development (OECD) (the old OECD-equivalence scale), taking account of the assumption that the fact of living together constitutes an economic advantage which results in a better standard of living for each family member. This definition of poverty has certain limitations, which should be borne in mind when evaluating the results. It is based on the view that poverty is something relative which can be expressed in terms of general conditions in society, instead of being defined in absolute terms based on fixed premises. Those who are below the poverty line are in fact those who belong to the lowest income groups. Poverty, according to this definition, thus means having a limited capacity to participate in society. Defined in this way, poverty does not necessarily mean that the person concerned lacks basic necessities such as food and clothing, or that he or she is homeless.

96. All individuals in Iceland are guaranteed the basic means of support by a comprehensive social security system which has been described previously in relation to article 9 of the Covenant. Disposable income in Iceland is high, as can be seen from the fact that the average disposable income of the 10 per cent of cohabiting couples with the lowest disposable income in 1999 was, according to figures from Statistics Iceland, ISK 1,322,000.

97. According to the survey, poverty appears to be associated with particular social groups. The highest levels of poverty were detected amongst students, the unemployed, single mothers, and individuals who were not in paid employment. Students have the right to student loans to meet the costs of their studies. It is also generally the case that student poverty is temporary, since their studies prepare them for employment at average or above-average wages. Unemployment has undergone a substantial reduction in recent years, from 4.3 per cent in 1997 to 1.3 per cent in 2000, and it may therefore be assumed that poverty in this group has been reduced accordingly.

98. If the figures from 1997/98 are compared with those for 1988, it can be seen that poverty has been reduced in all age groups, with the greatest reduction among senior citizens, from 12.4 per cent to 4.3 per cent. The reason for this is that pension funds in the occupational sectors are giving their members constantly better benefits than pensioners enjoyed previously.

Table 5

Incidence of poverty in Iceland and other Western countries; disposable income by age group

	All aged 20 and older %	25-59 %	65/67 and older %
Iceland 1988	7.8	6.0	12.4
Iceland 1997/98	6.8	5.5	4.3
Sweden	4.9	2.6	1.4
Norway	3.5	2.9	2.6
Finland	4.1	1.6	3.9
Denmark	5.3	-	-
Netherlands	5.8	3.5	0.2
France	8.5	8.0	1.9
Canada	10.9	10.9	4.9
Australia	9.1	9.3	5.2
Germany	5.8	5.3	5.3
Great Britain	13.2	11.0	9.2
Switzerland	7.4	5.8	11.9
United States	17.9	17.8	17.5
Average (not weighted)	8.0	7.1	6.4

Source: Stefán Ólafsson, Háskólaútgáfan 1999, Íslenska leiðin, almannatryggingar og velferð í fjölþjóðlegum samanburði. (The Icelandic Way. Social Security and Welfare in Comparison with Other Countries).

Note: This table draws on a Luxembourg Income Study (LIS) survey for the foreign figures done in 1985-1990. The Icelandic statistics were processed from data from the survey of living standards done by the University of Iceland's Social Science Institute in 1988, and the figures for 1997/98 are from a five-country survey done by the Social Science Institute.

99. When comparable figures for poverty in the other Western countries, as defined in the survey, are examined (see the table), it is revealed that the incidence of poverty in Iceland is below the average for the other OECD countries included in the survey. Nevertheless, there is more poverty in Iceland than in the other Nordic countries, but considerably less than in the United States, Great Britain, Canada and Australia.

100. Many changes have been made to Icelandic legislation that have had a direct effect on poverty. At the same time, improvement in the economy, resulting from efficient economic management, has produced a better standard of living and rising purchasing power, so reducing poverty. Among the legislative changes have been the restructuring of the unemployment benefit system, the establishment of an unemployment insurance fund for the self-employed, the new Gender Equality Act, measures taken against gender-based wage discrimination, changes regarding the reduction of disability benefit due to the spouse's income, etc.

101. Further information about economic trends is to be found in Iceland's report for the year 2000 in connection with ILO Convention No. 122.

Article 10

102. Considerable changes have been made in the areas of parental rights and the protection of children since Iceland's second report was submitted, and deliberate steps have also been taken to improve the standing of the family and ensure it the protection necessary for it to play its role as the cornerstone of society.

Protection of the family

Parliamentary resolution on the formulation of an official policy on the family and measures to improve the position of the family

103. The Althing passed a parliamentary resolution on the formulation of an official policy on the family and measures to improve the position of the family in 1997. The main premises for this policy are that the proper functioning of the family should be based on equality between men and women, that the family is the place where emotional bonds are formed and maintained, and that family life gives people (in particular children) security and the opportunity to develop their potential to the full.

104. The main aims of the family policy are as follows: to create conditions in which balance can be struck between family and working life; to emphasize the equal sharing of responsibilities between parents in the fields of household and the care and upbringing of their children; to have social institutions, in particular schools and kindergartens, work in collaboration with the family; to guarantee basic economic security of the family and the right to security of housing; to have the health services take account of the needs of the family as a whole and to guarantee the family support in order to care for the aged and the sick; to enable old people to participate in society for as long as possible; to give support to the families of the disabled, the chronically ill and other groups in accordance with their needs and to respect these people's fundamental rights as regards founding a family, having a home and playing an active role in society; to give immigrant families the support necessary to put down roots in Icelandic society and to combat discrimination on grounds of race, religion, culture or sexual orientation; to increase measures against violence, both within the family and outside it, and to protect the family and give it support against the abuse of alcohol and other intoxicants, and to increase preventive measures against alcohol and drug abuse.

105. Following the publication of the policy on the family, a special Family Council was established. Its role is to support and protect the family. One of the tasks of the Council is to advise the Government on family issues, make proposals on campaigns of action concerning the family and support research into the standing and circumstances of the Icelandic family.

Act No. 27/2000 prohibiting redundancies due to family responsibilities

106. The Prohibition on Redundancies due to Family Circumstances Act, No. 27/2000 entered into force in summer 2000. Under the Act, a person may not be made redundant solely because of the family responsibilities he bears. "Family responsibilities" here refers to the employee's responsibilities towards his or her children, spouse or close relatives who live in the home and clearly need his or her care or guardianship, e.g. because of illness or disability.

107. Three principal conditions must be met to demonstrate the existence of family responsibilities on the part of an employee. Firstly, the responsibilities must be towards the employee's own children, spouse or close relatives. Secondly, the persons concerned must live in the employee's own home and thirdly, the person or persons involved must need the care or guardianship of the employee himself in connection with, e.g., illness, disability or comparable circumstances. All three conditions must be met in order for the employee to be regarded as bearing responsibility for the relevant individuals in the sense of the Act; thus, this provision is based on a strict interpretation of the term.

ILO Workers with Family Responsibilities Convention, 1981 (No. 156)

108. Iceland has now ratified ILO Convention No. 156, the Workers with Family Responsibilities Convention, 1981. The previously discussed Act, No. 27/2000 Prohibiting Redundancies due to Family Responsibilities is based substantively on the ILO Convention.

Act No. 34/1997 amending the Local Authorities' Social Services Act

109. Act No. 34/1997 made amendments to the Local Authorities' Social Services Act. It introduced further provisions on the structure of social affairs committees if they are also responsible for child welfare, and also obliged the local authorities to offer social counselling for the inhabitants of their areas. In addition, the social affairs committees were obliged by the Act to engage staff with appropriate qualifications to give social counselling.

Maternity leave

Maternity, Paternity and Parental Leave Act, No. 95/2000

110. As previously described, a new Maternity, Paternity and Parental Leave Act, No. 95/2000, was passed in 2000 and is due to take full effect on 1 January 2003. This constitutes a fundamental reform of the older system. The main aim of the Act is to create conditions in which men and women are able to participate equally in paid employment and other work outside the home, and to guarantee children time with both parents. Furthermore, the Act protects employees from being made redundant on the grounds of their taking maternity, paternity or parental leave. The Act also includes provisions on the rights of those parents who are not in the employment market, or who are students, to receive financial support in connection with the birth of a child.

111. The main features of the new system following the amendments are that women and men have an equal, non-transferable right to take leave in connection with the birth of their children (maternity and paternity leave), irrespective of whether they work in the private sector or for the State. Parents are guaranteed an independent right to three months' maternity and paternity leave each, and also three months which they can divide between themselves as they wish. A special fund was established to pay for this leave; payments from it amount to 80 per cent of average gross wages or calculated remuneration over the 12-month continuous period ending two months before the first day of the leave. The Act allows for considerable flexibility in the taking of this leave: parents are able to take their leave in a continuous stretch, or in several shorter periods and/or while working part time, over a total period of up to 18 months.

112. Maternity and paternity leave taken in accordance with the Act is calculated as working time for purposes of calculating employment-related rights, e.g. for vacation entitlement, rights connected with length of service, sick-leave, notice periods for termination, etc. If the child or the mother falls ill following the birth, then the parents' joint right to leave may be extended. The new act also guarantees pregnant women and those who have recently had babies additional health and safety protection at work, and pregnant women are guaranteed support from the Maternity and Paternity Leave Fund if they are unable to go on working because of their pregnancy.

113. In addition to the rights described above, all parents now have the right to take 13 weeks' leave (parental leave) in order to care for their children. This right may be transferred, and parents are able to take this parental leave either in one continuous stretch or in shorter periods, or by reducing their work time.

114. The employment relationship between employee and employer remains unchanged during maternity, paternity and parental leave, and employees have the right to return to their jobs at the end of the period. If this is not possible, then they are entitled to comparable positions with the employer in accordance with their employment contracts. Employees are also protected under the Act against redundancies on the grounds of taking maternity, paternity or parental leave, and the same applies to redundancy measures affecting pregnant women and women who have recently had children.

Children, child protection and child employment

115. For the most part, reference is made to Iceland's second report regarding issues involving children. Only amendments that have since been made to the system described in detail in that report will be mentioned below.

Definition of a child

116. The Legal Competence Act, No. 71/1997 raised the age at which people become legally competent to manage their personal affairs from 16 years to 18 years. The rationale behind this was that the definition of the Convention on the Rights of the Child, i.e. all persons under the age of 18 are defined as children, should be followed. In addition, the Icelandic arrangement was

deemed different from that in effect in neighbouring countries. At a meeting with the Committee on the Rights of the Child and Icelandic Government representatives held at the beginning of 1996, the Committee recommended such a measure when the Legal Competence Act was revised. The increase in this age limit was also supported by reference to changed social conditions and young persons' need for education. Furthermore, reference was made to a discrepancy between the duties of parents as custodians and the duty of support; the need for an increase in this age limit was also recognized by reference to child protection, as child protection committees could not involve themselves with persons older than 16 years of age except with their own approval, which meant that the necessary continuity in support and treatment was difficult to achieve. The Act entered into effect on 1 January 1998; however, persons who had attained the age of 16 before the Act went into effect maintained the competence to manage their personal affairs.

117. The age at which people become competent to manage their personal affairs is 18, according to the Legal Competence Act. The management of the personal affairs of a person who is below this age is in the hands of the parents or those who discharge parental duties. This is referred to as custody, and is governed by the provisions of the Children's Act and the Child Protection Act.

118. In June 1997 the Minister of Justice appointed a committee to examine what laws would have to be amended on account of the increase in the age limit referred to above. The committee was composed of the representatives of six government ministries. The committee delivered its report and proposals to the Minister in November 1997. Subsequently, amendments have been made to the age limits provided for in various Acts, such as the Marriage Act, the Personal Names Act and the Legal Domicile Act.

Amendments to the Children and Young Persons Protection Act, No. 58/1992

119. Following the passing of the new Legal Majority Act, No. 71/1997, amendments were also made to the Children and Young Persons Protection Act, No. 58/1992. The division by age into "children" (aged 0-16) and "young persons" (aged 16-18) was abolished, and the definition of "children" was amended and brought into line with that used in the Legal Majority Act and international conventions. A child is now defined in the Act as an individual under the age of 18 years, and following the amendment, the Act now applies to all individuals under the age of 18.

120. It was also considered necessary, in the light of the new provisions of the Legal Majority Act, to introduce clearer provisions concerning children whose behaviour poses a threat to their own health and development, with particular attention given to the 16-18 age group. Prior to the amendment, it was only possible to commit children to short-term care or for investigation purposes for up to four weeks at a time. Nevertheless, the view had always been taken that as part of their custodial rights, parents had the authority to agree to commitment for longer periods, since four weeks are insufficient in most cases to administer the necessary treatment. Following the amendment, the parents of children aged 16-18 are therefore now entitled to agree to longer periods of commitment.

121. It was also considered necessary, as part of the amendment, to grant children a greater say in the handling of their affairs. Amongst other things, it is stated that one of the aims of the Act is that children should enjoy rights in accordance with their age and level of maturity; this wording is in accordance with articles 5 and 12 of the United Nations Declaration on the Rights of the Child. For this reason, a new provision, article 43 a, was interpolated into the section of the Act dealing with procedure, guaranteeing children the right to express their position on matters that concern them and stating that fair consideration should be given to their opinions, in terms of each individual child's age and level of maturity, when resolving matters under the Act. Provision is also made for allowing children aged 12 and over an opportunity to express their position on an issue, and finally, provision is made for the child welfare committee to take the initiative on the appointment of a spokesman for the child in instances where the circumstances are such that a spokesman is needed to represent the child's interests.

122. The Minister of Social Affairs also appointed a committee to undertake a complete revision of the Act. The committee has completed its work, and a bill on a new Child Protection Act is currently before the Althing.

Institutions and treatment homes for children

123. A special government body, the Child Welfare Agency (Barnaverndarstofa) is in charge of coordinating and building up work in the field of child welfare. It supervises the child welfare institutions and homes that the State runs or supports. Its responsibilities include the professional and financial supervision of the work of the homes. It is also able to set requirements regarding their specialization, and takes the initiative on the establishment of new homes. Considerable work has been done in recent years on the development of treatment facilities for children and young people, the foundation for which was laid by the establishment of the Child Welfare Agency in 1995.

124. Treatment provided by the agency for children and young people consists of two types. On the one hand, there is the work carried out by the Stuðlar, the State-run treatment centre for teenagers, which covers diagnostic measures and short-term placement in emergency cases, and on the other hand there are the long-term treatment homes, all of which are privately run under service contracts with the Child Welfare Agency. The general pattern is that teenagers go first to Stuðlar for diagnosis, after which they are referred for long-term treatment when necessary. The number of privately run homes working for the agency has risen; there are currently eight, all of which are situated outside Reykjavik. They are specialized in meeting the needs of various types of individuals; some, for example, are specially qualified to deal with children or teenagers with behavioural disorders of various types, criminal tendencies and difficult home backgrounds, while others are better equipped to treat young drug abusers and their problems. The Child Welfare Agency allocates places in the treatment homes.

125. The Child Welfare Agency's youngest protégés, children aged 6-12, are placed in the Barnaheill (Icelandic Save the Children) treatment home in cases of difficult home backgrounds, problems in school or behavioural disorders. The home is run privately under a service contract with the Agency. Children who are of compulsory school age and are placed

in these homes are guaranteed places in the appropriate schools of the local government areas. Those who are older are guaranteed access to secondary-level education outside the compulsory school system.

Regulation No. 401/1998 on homes and other institutions for children

126. These regulations were issued under the Child Welfare Act, No. 58/1992 and apply to homes and institutions for children that are run by individuals and non-governmental organizations and which provide round-the-clock accommodation for six or more children under the age of 18 for upbringing, care or emergency treatment. The scope of the Regulation covers treatment homes, holiday homes and emergency centres (shelters). The regulations cover the issuance of licences for such operations, permits, and requirements regarding accommodation, the age of the children, the necessary equipment and the liability of the operating party. Provisions are also made for monitoring of the homes by child welfare committees and the Child Welfare Agency.

Regulation No. 562/2000 on private homes accepting children for stays of up to six months on a commercial basis

127. Regulation No. 562/2000, which was issued under the Child Welfare Act, No. 58/1992, set out rules on the operations and facilities of private homes which accept children for stays of up to six months in return for payment. They cover applications for licences, the conditions for the granting of licences, including the age and number of children in each home (not more than six), and also set the requirement that the Child Welfare Agency shall have made a report on the home. Certain obligations are laid down, e.g. the duty to inform the child welfare committee if it is apparent that a child is suffering from neglect. Finally, provisions are made for inspections of the homes by the child welfare committees.

Comments in reply to paragraph 14 of the concluding observations of the Committee

128. The Committee expresses its concern in paragraph 14 at the increase of violence between children and at alcohol and drug abuse by young people. It is stated in the information on the work of the child welfare committees that in 86 cases in which they received notifications in 1998, the reason was suspicion that a child had been the victim of violence on the part of another child. In 1999 the number of notifications made for this reason was 61. Altogether, the child welfare committees received 2,359 notifications in 1998 (of which violence between children accounted for 3.6 per cent) and 2,638 in 1999 (of which violence between children accounted for 2.3 per cent).

129. Before children are admitted for treatment in long-term treatment homes run by the State, they undergo diagnosis at the State diagnostic centre, Stuðlar, where they stay for three to four months. As can be seen from the figures below, 61.7 per cent of the individuals for whom treatment was sought in 1999 showed evidence of violent behaviour. Treatment was sought for 94 individuals altogether.

Table 6

Reasons for seeking treatment for children, by problem category*

Problem category, %	1997	1998	1999
Behavioural problems	88.3	89.3	93.6
Alcohol abuse	49.4	73.8	72.3
Homelessness	37.7	60.7	80.9
Social isolation	35.1	19	19.1
Drug abuse	33.8	52.4	56.4
Learning difficulties	28.6	66.7	83
Absenteeism from school	22.1	76.2	88.3
Offences	22.1	39.3	57.4
Violent behaviour	20.8	40.5	61.7
Others: disabilities, bullying, difficult home situations.	20.8	1.2	16
Hyperactivity/attention deficiency	9.1	16.7	30.9
Depression	9.1	15.5	20.2
Victims of sexual abuse	7.8	2.4	4.3
Perpetrators of sexual abuse	5.2	2.4	2.1
Number of children for whom treatment was sought	77	84	94

* The percentages are based on how often the relevant "diagnosis" was mentioned compared with the total number of applications, but each individual could fall under more than one problem category.

130. Much effort has been spent on responding to the problems of these young people, with the emphasis on two main areas: firstly, increasing the number of treatment measures, and secondly, on research, the exchange of information and the provision of guidelines for child welfare committees. Regarding treatment facilities, a new residential treatment centre was opened on 1 January 1999 at Háholt in Skagafjörður (in the north of Iceland). It specializes in the treatment of children that have been involved in violence against other children. Concern in this area has been prominent in the work of the Child Welfare Agency, which has organized publicity measures on the issue, both for professionals and the general public, and has had lecturers from abroad come and talk about their research. Special guidelines have also been issued for child welfare committees on how to handle cases involving child offenders, and the Agency has given the child welfare committees support and assistance with the treatment of individual cases.

Alcohol and drug abuse by the young

131. Major measures have been taken in recent years to combat alcohol and drug abuse by the young. The country's largest treatment institution for the treatment of alcoholics and drug abusers, SÁÁ (National Centre of Addiction Medicine), has established a special department for young people.

132. Great importance has also been attached to the treatment of children with drug and alcohol problems at the institutions that the Child Welfare Agency has established. Thus, three of the eight treatment homes are specially equipped to deal with problems of this type. Considerable success has also been achieved in increasing the number of places in these homes, thereby shortening waiting lists, and at the moment there is practically no delay in arranging places for treatment.

Agreement between the National and University Hospital and the Child Welfare Agency

133. On 19 April 2000, the Child Welfare Agency and the National and University Hospital made an agreement on collaboration in a wide range of activities. The aim of the agreement is to guarantee children and teenagers with psychological disturbances, drug problems and behavioural disorders the best, quickest and most reliable services possible. The agreement covers joint work on solving individuals' problems so as to ensure the best possible services in each instance, collaboration on training and publicity for the staff of the institutions of both parties involved in work with children and young people, and joint efforts in developing appropriate treatment and services for children and the young to meet the requirements of each case.

Comments in reply to paragraph 15 of the concluding observations of the Committee

134. In the past few years it has become less common for children to be placed in permanent foster homes. On the other hand, the number of temporary foster home placements has risen. Temporary placement is an important short-term measure that has produced good results over the past few years.

135. The total number of children fostered, either permanently or temporarily, in 1999 was 249, of whom 181 were in permanent foster homes and 68 in temporary ones. Twenty-nine children were placed in foster care in 1996 (16 in permanent foster homes, 13 on a temporary basis); 39 were placed in foster care in 1997 (20 in permanent foster homes, 19 on a temporary basis); 50 in 1998 (19 in permanent foster homes, 31 on a temporary basis) and 41 in 1999 (9 in permanent foster homes, 32 on a temporary basis).

136. The reasons why fewer children have been placed in permanent foster homes are the additional support given to the family, higher standards of professional response, and increased priority attached to enabling children to continue to live with their parents. Nevertheless, foster care, whether long term or short term, is an important measure in child welfare and is likely to remain so.

The family centre

137. Family centre therapy was established in 1997 with emphasis on families with children. It is a collaborative project between the Reykjavik division of the Icelandic Red Cross, the City of Reykjavik, the Ministry of Social Affairs and the Ministry of Health and Social Security. The family centre offers parents guidance and support free of charge. The aim of the centre is to

assist and support parents with drug-addicted children. Parents are especially encouraged to seek assistance and guidance if they think their children are becoming involved with alcohol and other drugs.

Regulation No. 426/1999 on children and young people in employment

138. This regulation was issued with reference to Directive No. 94/33/EC on the protection of young people at work. It covers persons under the age of 18, specifying the types of work that may not be done by young people, their working and rest hours, and special rules applying to those aged under the age of 15 and those who are in compulsory education.

ILO Convention (No. 182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (1999) and the Minimum Age Convention, 1973 (No. 138)

139. Iceland has also ratified ILO Conventions Nos. 182 and 138.

Article 11

140. A detailed account of the housing situation in Iceland was included in Iceland's second report. However, considerable changes have been made in the housing system since that report was prepared. A new Housing Act, No. 44/1998 entered into force on 1 January 1999. The purpose of the Act is set forth in article 1, which conforms to article 11 of the Covenant.

"Article 1

"Purpose

"The purpose of this Act is to promote, through the granting of loans and the organization of housing affairs, the ability of Icelanders to live with security and equal rights in housing affairs along with the special allocation of funds to increase people's chances of acquiring or renting housing on manageable terms."

141. A new Rent Benefit Act, No. 138/1997 was passed in 1997. Its purpose is also in line with article 11 of the Covenant:

"Article 1. Purpose

"The purpose of this Act is to reduce the cost of housing for low-income tenants and to reduce the difference in position between the parties on the housing market.

"Article 2. Rent benefit

"Assistance granted under this Act shall take the form of benefit payments made to tenants; such payments shall be referred to as 'rent benefit'."

142. The new Rent Benefit Act of 1997 broadened access to rent benefit, and further liberalizations were introduced in an amendment in 2001, concerning in particular students and the disabled.

Basic features of the new Housing Act

143. The new Housing Act introduced fundamental changes in the State housing loans system. It abolished the State Housing Authority, establishing in its place a special loan fund, the Housing Loan Fund. This is an independent State-owned fund which makes loans for housing purchases by the public, and also loans for the purchase and construction of rental accommodation in accordance with the stated purpose of the Housing Act quoted above. No changes were made to the general loan system, which is a bond-exchange system based on housing bonds. Housing bonds are State-guaranteed marketable securities, backed by the State, which are issued for a specific term at fixed interest and can be traded on the open financial market. The system works as follows: the Housing Loan Fund exchanges housing bonds for property mortgage bonds, which are backed by mortgages on the real estate property involved. The Fund then collects instalment payments on the mortgage bonds in accordance with the terms stated on the bond, while the seller of the property receives value in the form of housing bonds which can be sold on the money market. In the general loan market, the State provides loans in the form of housing bond loans for 65-70 per cent of the purchase price of residential property. The State guarantee of the housing bonds ensures buyers loans at far lower rates of interest than can be offered through the ordinary banking system. In addition, the State helps individuals and families to acquire their own homes by means of the indirect subsidy of interest rates on mortgage loans through the tax system with income-related interest benefit payments.

Socially assisted housing

144. The main amendments to the housing legislation consisted of a restructuring of the loan system for the purchase of socially assisted housing, as it had become clear that the State Housing Fund, the part of the State credit system that financed the socially assisted system, was heading for insolvency unless some action was taken. The old loan system consisted of the direct subsidization of interest paid on loans for socially assisted housing, irrespective of whether socially assisted purchase or rental was involved. Because of the negative difference between the interest rates on the credit given by the Workers' Building Fund to finance housing purchases and its other loans, the Fund was run with heavy losses and had consumed practically all of the capital of the State Housing Authority.

145. When the Housing Loan Fund was established, the direct subsidization of interest on mortgage loans was discontinued, and the Fund was made to take account of the credit terms on offer to it on the open credit market through the sale of State-guaranteed bonds. A certain sum was earmarked, however, for subsidizing loans for rental housing during a two-year adjustment period.

146. In the new system, those who fall within certain income and net-worth limits have access to further assistance in the form of additional loans. These additional loans are over and above the ordinary housing bond loans, bringing the assistance to which these groups are entitled from

the Housing Loan Fund up to 90 per cent of the purchase price of the properties. The additional loans are based not on a bond system like the housing loans, but consist of direct financial credit which the Housing Loan Fund finances through the sale of a category of housing bonds that are special State-guaranteed marketable securities.

147. The State guarantee of housing bonds ensures that the Housing Loan Fund's resources for additional loans will bear the most attractive rates of interest on the Icelandic money market. Being intended to reduce the debt burden of the lowest income groups, the State-backed interest benefit system also covers additional loans.

Flats for rent

148. The Housing Loan Fund is intended to lend capital for the construction and purchase of rental accommodation to ensure that those who are not able to acquire their own housing with the aid of housing-bond loans will have access to rental accommodation at reasonable prices. A certain part of these loans were subsidized during an adjustment period under a provision in an annex to the Housing Act. Under the Act, the loans were subsidized during 1999 and 2000, after which loans for rental accommodation are to be based on the terms obtained by the Housing Loan Fund on the money market through the issue of State-guaranteed housing bonds. It is assumed that the State guarantee will ensure that these loans bear the lowest rates of interest available at any given time. Loans for rental accommodation may be granted for up to 90 per cent of the construction or purchase price of the property. The interest benefit system does not cover rental accommodation. Instead, rent-paying tenants receive income-related rent benefit.

Committee on the rental market and rental accommodation

149. A special committee on the rental market and rental accommodation was established in connection with the aforementioned legislative amendments to investigate methods of guaranteeing the lowest-income groups access to rented accommodation on manageable terms. It has submitted its proposals, which outline several main methods:

(a) The State should raise rent benefit to meet rising costs faced by tenants;

(b) Establishment grants should be made to rental organizations operated by local authorities and to non-governmental organizations owning and operating specialized rental accommodation, e.g. for students, the elderly, the handicapped and people with diminished working capacity.

150. The committee also recommended that a special campaign be put into practice to increase the availability of rental accommodation in the Greater Reykjavik area and other growth areas where there is a substantial need for rental accommodation. A campaign of this type, involving the Ministry of Social Affairs, the Housing Loan Fund and the pension funds, is about to be launched.

Specialized loans from the Housing Loan Fund

151. Provision is made in the Housing Act for the establishment by the board of the Housing Loan Fund of types of loans other than those described above. Such loan categories are to be defined in special regulations. The following types of loans currently exist:

1. Loans for the building or purchase of homes and day-care centres for the elderly.

2. Loans for the building of kindergartens.

3. Additional loans for individuals with special requirements.

4. Loans for repairs.

5. Loans for major exterior maintenance work on socially assisted housing.

6. Loans or grants for technical innovations and other improvements in the construction industry.

7. Loans for the building or purchase of homes for children or young people.

152. Loans in these categories are financed in the same way as additional loans and loans for rental accommodation, i.e. through the sale of State-guaranteed housing bonds.

Rent benefit

153. Rent benefit payments to tenants living in rented housing were introduced by Act No. 100/1994, which took effect on 1 January 1995. The Act stated that the local authorities were to be free to decide on the payment of rent benefit. No benefit payments were to be made to those living in socially assisted housing owned by the local authorities. Further provisions on the amount of the benefit payments were made in regulations issued under the Act.

154. A new Rent Benefit Act, No. 138/1997 took effect on 1 January 1998. The main change it introduced was that the decision whether to pay rent benefit was no longer left to the local authorities, which were now obliged to make payments. At the same time, the system was extended to cover those living in socially assisted rental accommodation owned by the local authorities. As stated above, Act No. 138/1997 was amended by Act No. 52/2001, which extended access to rent benefit still further. The main change was that those who live in communal housing, e.g. students in hostels and disabled people living in homes, now qualify for rent benefit.

155. Under the Rent Benefit Regulations, No. 4/1999 with subsequent amendments, rent benefit stood on 1 January 2000 at ISK 8,000 per flat, with an additional ISK 7,000 for the first child, ISK 6,000 for the second and ISK 5,500 for the third. In addition, 15 per cent of the rental amount between ISK 20,000 and ISK 50,000 was refundable. Rent benefit may never exceed

50 per cent of rent paid, or a maximum of ISK 35,000. In addition, the benefit sum is income- and property-related. Benefit is reduced by 1 per cent of annual income above ISK 2 million. If the combined assets of those domiciled in the rented property unit exceed ISK 3 million then the benefit is reduced by 25 per cent of the difference.

Housing for the disabled - communal homes

156. A detailed account of housing for the disabled is given in Iceland's second report, to which reference is made concerning the overall situation. Further work has been put into developing and improving communal homes for the disabled, and their number has been increased considerably. In 1999 the Minister of Social Affairs appointed a working group to examine the waiting lists for services provided by the regional offices responsible for disabled persons' affairs. The group recommended a five-year programme of measures to wipe out the waiting lists for access to homes for the disabled. The programme includes additional funding for the building, purchase and operation of housing for the disabled.

157. Further reference concerning the legislative regulations in the field of housing issues can be found on the home page of the Ministry of Social Affairs, http://www.felagsmalaraduneyti.is/interpro/fel/fel.nsf/pages/english-index.

Article 12

The right to health

158. The right to health care in Iceland is secured by direct access to primary health-care centres, private physicians and emergency units in hospitals, partly or totally financed by the State health insurance (for further information, reference is made to the discussion under article 9). The country is divided into health-care regions, each with its own primary health-care centres, some of which are run jointly with the local community hospital. The primary health-care centres have responsibility for general treatment and care, examinations, home nursing, as well as preventive measures such as family planning, maternity care, and child and school health care. Information on health services is provided by the Ministry of Health and the Directorate of Health. The latter also monitors the practice of health-care professionals and issues clinical guidelines (for further information see "Highlights on Health in Iceland", a report developed in collaboration with WHO Europe, available on http://www.who.dk/country/ice01.pdf).

159. Pursuant to the Act on the Rights of Patients, No. 74/1997, a patient has the right to the best health service available. He has the right to obtain information regarding his state of health, the proposed treatment, and the possibility of seeking a second opinion. An informed consent of the patient is required for treatment or participation in scientific research. He has the right to be given access to his clinical record. Special rules apply if a patient is unable to express his wishes, give his consent or handle the information. The Act also contains special rules on sick children; for example, if a parent refuses necessary treatment of a child, the child welfare authorities can interfere and allow the treatment.

160. The Act on Patient Insurance, No. 111/2000 ensures the right of patients to damages under certain conditions due to loss connected with research or caused by treatment in hospitals, primary health-care centres or other health institutions, by self-employed health workers and in patient transport. Fault on the part of a health worker does not have to be established. The aim of the Act is to increase patients' rights and decrease the number of court cases.

161. The Medicinal Products Act, No. 93/1994 has the objective of ensuring that the people of Iceland have an adequate supply of necessary medicinal products, distributed as efficiently as possible on the basis of fair and equitable competition. It is, furthermore, the objective of the Act to ensure as far as possible the quality and safety of medicinal products and services, increase public education on the use of medicinal products, counter their excessive use and keep costs to a minimum. The Act is mainly administered and implemented by the Icelandic Medicines Control Agency (established in November 2000). Its decisions may be referred to the Minister of Health.

162. The Act on Medical Devices, No. 16/2001 applies to the production, sale, marketing, monitoring, maintenance and use of medical devices. The aim of the Act is to protect the users of medical devices from injury and to ensure that the production, maintenance and use of medical devices are in conformity with the best professional knowledge at the time.

163. The objective of the Act on Biobanks, No. 110/2000 is to authorize the collection, storage, handling and utilization of biological samples from human beings, in such a way that confidentiality is ensured, the interests of donors of biological samples is safeguarded and the samples are utilized in a way that serves the purposes of science and medicine and is conducive to the public good. The interests of science and of the community shall never be given priority over the interests of the donor of a biological sample. It is prohibited to discriminate against a donor of a biological sample on the grounds of data derived from a biological sample. The main principle of the Act is that the free, informed consent of the person giving the biological sample shall be sought in connection with the collection of a biological sample for preservation in a biobank.

164. The Act on a Health Sector Database, No. 139/1998 has the objective of authorizing the creation and operation of a centralized database of non-personally identifiable health data from medical records with the aim of increasing knowledge in order to improve health and health services. The Health Sector Database will contain only encrypted information from medical records. Transfer of information to the Database is based on presumed consent, but patients have the right to opt out. Information derived from the Database will always be on groups (statistical information). It is forbidden to divulge information on individuals from the Database; doing so makes the offender subject to loss of licence, fine or imprisonment. Protection is further ensured by irreversible encryption, access limitation and monitoring by the Data Protection Authority. The legislation does not apply to the storage or handling of, or access to, biological samples and the Health Sector Database will not contain any genetic material.

National Health Policy

165. In May 2001 the Althing adopted a new National Health Policy presented by the Minister of Health. Priority areas to the year 2010 are: (i) alcohol, other drugs and tobacco; (ii) children and adolescents; (iii) older adults; (iv) mental health; (v) cardiovascular disease and stroke; (vi) cancer; and (vii) accidents.

166. Furthermore in spring 2001, the Althing enacted extensive amendments to the Tobacco Act. The aim is to reduce tobacco smoking, the consumption of other tobacco products and indoor air pollution due to tobacco smoke. The amended Act also puts further barriers to the sale of tobacco products and makes the prohibition on tobacco advertising more effective.

167. Health Promotion has been an ongoing programme in the Directorate of Health since 1994. It is based on the National Health Policy and WHO - Health 21 and the aim is to improve public lifestyle. It is being conducted on both national and regional levels. Health Promotion advises authorities on health policies, conducts research and gathers knowledge in the field of health promotion, and cooperates with professionals on projects which aim at better health and well-being. It also distributes information to the general public on various health issues.

National Policy for Quality Development

168. The Ministry of Health and Social Security published in 1999 National Policy for Quality Development, which reflects policies from WHO - Health 21, Norway, Sweden and Denmark. Its objective is to construct structures and processes in all health-care institutions to ensure the implementation of continuous quality development by the end of the year 2002. The main actors on the national level are the Ministry of Health and Social Security and the Directorate of Health. On the local level the actors are health-care authorities, managers of hospitals and primary health-care services, health-care providers and consumers.

Healthy development of the child and reduction of infant mortality

169. Health care during pregnancy and for infants is free of charge. Maternal health is monitored in monthly examinations during the pregnancy (8-10 examinations). Infants are examined regularly and vaccinated. Schoolchildren are also examined and vaccinated. This health care is free of charge. The infant mortality rate in Iceland in 1998 was 2.6 per 1,000 live births.

Artificial fertilization

170. Artificial fertilization (conception resulting from artificial insemination or in vitro-fertilization) is regulated in the Artificial Fertilization Act, No. 55/1996. Pursuant to the Act, the conditions for artificial fertilization are that the woman has been living with the man, the ages of the couple may be deemed normal for having children, the mental and physical health and social circumstances of the couple are good, and other procedures to overcome infertility have failed or are unavailable. Furthermore, the Act contains stipulations on artificial

insemination using donor sperm and research on embryos. As a main rule, all research, experiments and operations on embryos are prohibited. The State health insurance participates in the cost of the artificial fertilization procedure.

Improvement of environmental and industrial hygiene

171. Natural and workplace environments are regulated mainly by the Act on Hygiene and Pollution Prevention, No. 7/1998, the Food Act, No. 93/1995 and the Act on Environment, Hygiene and Safety in the Workplace, No. 46/1980. Monitoring and research are undertaken by special agencies administered by the Ministry for the Environment (for information on air quality, water and sanitation and waste, see "Highlights on Health in Iceland", page 24, available at http://www.who.dk/country/ice01.pdf).

Epidemic diseases

172. The Act on Epidemic Diseases, No. 19/1997 contains stipulations on preparations for and reactions to epidemic diseases and on the duties of private persons, physicians, other health-care professionals and veterinarians. Furthermore, there are stipulations on official reactions to the danger of foreign and domestic epidemic diseases. The Act established a special post for a State Epidemiologist within the Directorate of Health, who is responsible for infectious disease control in Iceland. He cooperates with other doctors, the chief veterinarian and the Environmental and Food Agency when needed. He is also responsible for keeping the register of infectious diseases in Iceland.

Articles 13 and 14

Free compulsory education available to all

173. Reference is made to paragraph 143 of the second periodic report.

174. According to the Act on Compulsory Education, No. 66/1995 the role of compulsory schooling is to prepare pupils, in cooperation with the home, for life and work in a democratic society which is continuously developing. School practice and methods shall thus be characterized by tolerance, Christian ethics and democratic cooperation. The school shall encourage broad-mindedness in its pupils and increase their understanding of people's circumstances and living environments, of Icelandic society, its history and unique characteristics, and of the responsibilities of the individual towards society.

175. The Ministry of Education, Science and Culture monitors the implementation of educational laws and regulations in compulsory education. The Ministry is in charge of issuing a national curriculum guide. A new national curriculum guide for compulsory education was issued in 1999. The Ministry is furthermore responsible for nationally coordinated examinations in core subjects in grades 4 and 7, coordinated school surveys and school-leaving examinations in grade 10.

176. Although the municipalities have taken over the operation of compulsory schools, the State is still responsible for the publication of all educational materials, which are free of charge. The State furthermore finances developmental funds for this school level as well as part of in-service training of teachers.

177. Since the transfer of control over compulsory schools in 1996 from the central Government to the municipalities, the merging of municipalities has greatly increased. There were 124 municipalities as of 1 December 2000, compared with 170 in 1995. The merging has facilitated the transfer, thus reducing possible disparities between affluent and less affluent municipalities. In addition, a number of municipalities have the right to receive funding from the Municipalities Equalization Fund for the financing of the most costly school activities, such as special education.

178. School attendance in compulsory education is 100 per cent.

Availability and accessibility of upper secondary education

179. Reference is made to paragraphs 144-147 of the second periodic report.

180. A new national curriculum guide for upper secondary schools in accordance with the legislation of 1996 (Part VIII, art. 21) was published in a series of booklets in spring 1999 and came into effect on 1 June 1999. The intention underlying the national curriculum guide is to ensure that each individual student is enrolled in a course of study suitable for him or her within the framework of the upper secondary schools and that the speed at which the student completes his/her education is partly based on ability.

Increased autonomy and quality assessment in higher education

181. A new framework law on higher education was passed in December 1997 (No. 136/1997). The enactment of the law gives Icelandic higher education institutions increased autonomy, and has altered the relations between higher education institutions and the Ministry of Education, Science and Culture. The Ministry's emphasis is on agreements and monitoring, rather than on interference with particular matters of the institutions.

182. The Ministry of Education, Science and Culture issued a regulation in May 1999 (No. 331/1999) on quality assessment and monitoring of university instruction, which requires universities to set up a formal, internal quality assessment system. The regulation also stipulates that the Ministry can decide when an external quality assessment is to be carried out and nominates specialists for the evaluation group implementing the quality assessment.

183. The Government has recently been signing new financial contracts with each higher education institution (both public and private), by which the Government has created uniform rules for public financing of higher education institutions. The first such agreement was signed with the University of Iceland in 1999. The contracts are intended to finance the instructional side (not research) of the higher education institutions' operations and are performance-related, i.e. financial contributions are based on the number of student equivalents.

Comments in reply to paragraph 17 of the concluding observations of the Committee

184. In paragraph 17 of its concluding observations the Committee notes with concern the drop-out rate of young people from upper secondary education. According to statistics, 89 per cent of 16-year-olds completing compulsory education have in recent years entered upper secondary schools; however, a number of students do not finish upper secondary education at the age intended for education at that school level, but in many cases resume their studies later.

185. All students who have completed their compulsory education have the legal right to enrol in an upper secondary school, regardless of their results. The law on upper secondary education of 1996 aims at adjusting upper secondary school better to students' needs, among other things by offering a greater variety of courses. A new general programme of study, for example, is intended for students who are undecided as to what to do after compulsory education or need further preparation for academic or vocational studies. The 1996 legislation also allows for varied admission requirements to different programmes of study in order to reduce the number of students enrolling in study programmes for which they have not received sufficient preparation. A regulation (No. 98/2000) concerning varied admission requirements comes into force from the school year 2001/02. In addition, many upper secondary schools make an effort to meet the needs of their students, for example by offering them remedial courses in core subjects. All upper secondary schools also have educational counselling.

186. The flexibility of the unit-credit system used by most upper secondary schools makes it easy for students who have quit school temporarily, or dropped out, to resume their studies. Evening schools that are operated by many upper secondary schools also give students who have dropped out a second chance. The reason for students quitting school temporarily, or dropping out, may be explained partly by the fact that there is a demand for labour in the country, unemployment being almost non-existent.

187. The Committee also notes in paragraph 16 that 60 per cent of university graduates were female while only 40 per cent were male. The reason for this difference can be explained by, among other things, the fact that the more traditional female educational fields, such as nursing, pre-school teaching and social pedagogy, have in the last years been upgraded to the higher education level, while the more traditional male educational fields are still run at the upper secondary level in vocational schools. More women than men complete the matriculation examination which is generally required for studies at the higher education level. Graduates in vocational studies at the upper secondary level, of whom the majority are men, have not had direct access to higher education studies. However, the new national curriculum guide for upper secondary school provides the possibility to sit the matriculation examination after completion of vocational studies. This provision will facilitate access to higher education studies after vocational education.

188. As regards the Committee's comment that the transfer of control over schools from the central Government to the municipalities might lead to widening disparities between municipalities, reference is made to paragraph 177 above. As stated, the merging of

municipalities has greatly facilitated the transfer, thus reducing possible disparities between affluent and less affluent municipalities. In addition, a number of municipalities have the right to receive funding from the Municipalities Equalization Fund for the financing of the most costly school activities, such as special education.

Statistics on education

189. Reference is made to paragraph 153 of the second periodic report. In 2000 there were 190 compulsory schools in Iceland with 43,644 pupils. Upper secondary schools numbered 40 in 2000 with 17,961 students. Public expenditure on education as a percentage of total expenditure in Iceland was 15.08 per cent in 1998. In 1998 public expenditure on education represented 5.8 per cent of GDP.

Government appropriation for education

190. Reference is made to paragraphs 156 and 158 of the second periodic report. The present legislation concerning pre-schools was passed in 1994. The first article of the law defines pre-school as the first level of the educational system. The operation of pre-schools is the responsibility of municipalities. The construction of compulsory school buildings is financed by the municipalities, but the State finances upper secondary school buildings (60 per cent) in conjunction with the municipalities (40 per cent). Many municipalities, especially the larger ones, have built new compulsory schools or added on to old ones in the last few years to facilitate comprehensive settings.

191. In 1999 new national curriculum guides were issued for pre-school, compulsory and upper secondary levels. The national curriculum guides are a further development of the laws and have the legal status of ministry regulations. They interpret the articles of the law and further specify what is to be coordinated in all Icelandic compulsory schools. Furthermore, the national curriculum guides set the requirements for each school and its staff with respect to organization, execution and evaluation of education within that school. The national curriculum guides apply to all grades and subjects.

192. During the academic year 2000/01 the number of lessons per pupil per week at compulsory schools are as follows:

- Grades 1-4: 30 hours of instruction per week;
- Grades 5-6: 32 hours of instruction per week;
- Grades 7-10: 35 hours of instruction per week.

During the school year 2001/02 grade 7 will receive instruction for 35 hours weekly and grades 8-10, 37 hours. The average number of hours of instruction in upper secondary schools is 35 per week.

193. Education in Iceland has traditionally been organized within the public sector. In the school system there are only a very few private institutions.

Equal access to education

194. A fundamental principle of the Icelandic education system is that everyone shall have an equal opportunity to acquire education irrespective of sex, economic status, geographic location, religion, or cultural or social background. Education is compulsory from age 6 through age 16, i.e. all children 6 to 16 are required to attend school full time. Students have the legal right to enter upper secondary education, irrespective of their results in compulsory education. At the higher education level students are generally required to have passed the matriculation examination or equivalent. Education in Iceland is free of charge, but students at the upper secondary and higher education levels pay registration fees.

195. As regards equal opportunities to acquire education in universities reference is made to the judgement of the Supreme Court of 4 February 1999 in which the Court ruled that the University of Iceland had not fulfilled its legal obligation under the Act on Disabled Persons, article 2 of Protocol No. 1 to the European Convention on Human Rights concerning right to education, and article 65 of the Constitution on the principle of equality since it had failed to formulate a policy concerning disabled students and did not provide a blind student at the University necessary assistance in her studies. This judgement is further described in section I.B above.

196. Students who leave their legal residence to attend upper secondary school elsewhere receive a grant from the State to partly meet travel and subsistence costs. Students at the higher education level have access to the Icelandic Government Student Loan Fund.

Vulnerable and disadvantaged groups

197. Reference is made to paragraph 166 of the second periodic report. According to article 36 of Act No. 66/1995 on Compulsory Education and article 20 of Act No. 80/1996 on Upper Secondary Education, students whose mother tongue is not Icelandic are entitled to attend special courses in Icelandic.

198. According to a regulation (No. 391/1996) on compulsory education concerning instruction in Icelandic for pupils whose mother tongue is not Icelandic, such pupils shall, as far as it can be arranged and with the agreement of the local municipality in question, receive instruction in their mother tongue. The aim of such instruction is to ensure that these pupils practise both languages, and thus maintain their mother tongue by actively using it. A regulation concerning special instruction in Icelandic for students whose mother tongue is not Icelandic (No. 329/1997) applies for the upper secondary level. The national curriculum guides for compulsory and upper secondary schools now contain for the first time provisions concerning special instruction in Icelandic for students whose mother tongue is not Icelandic.

Article 15

199. Reference is made to paragraphs 174-181 of the second periodic report.

200. The Ministry of Education, Science and Culture is currently preparing a new model for the public financing of research within higher education and negotiations are currently under way with the University of Iceland. The new research agreements will be more performance-related and will create common rules for the public financing of research within the higher education institutions.